



Worldwide Enterprise WLAN Market Maintains Moderate Growth Momentum in Second Quarter of 2018, According to IDC

Enterprise WLAN Market Grew 2.6% Year Over Year in Q2 2018; Consumer Market Up Just 0.8%

FRAMINGHAM, Mass., September 7, 2018 – The combined consumer and enterprise wireless local area network (WLAN) market segments rose 1.9% year over year in the second quarter of 2018 (2Q18) with worldwide revenues of \$2.5 billion. According to results published in the International Data Corporation ([IDC](#)) [Worldwide Quarterly WLAN Tracker](#), the enterprise segment grew 2.6% year over year in 2Q18 to \$1.5 billion. Continued demand for network refreshes, digital transformation (DX) initiatives, and increased reliance on wireless networks for engaging with customers are positive indicators for continued growth in the second half of 2018.

The 802.11ac standard now accounts for 85.2% of dependent access point unit shipments in the enterprise segment and 94.5% of dependent access point revenues, marking this standard's full penetration into the market. Beginning late in 2018 and early in 2019 the market will begin to shift toward adoption of the new 802.11ax standard.

Meanwhile, consumer WLAN market revenue increased slightly, up 0.8% in 2Q18 compared to a year earlier, finishing at \$1.0 billion. In 2Q18, the 802.11ac standard accounted for 49.4% of shipments and 73.9% of revenue. 802.11ac remained a bright spot in the consumer WLAN segment in 2Q18 with revenues increasing 13.1% year over year and shipments increasing 32.8%.

"The enterprise WLAN market continues to see moderate, steady growth, underscoring the importance of wireless networking for businesses of all sizes around the world," said [Brandon Butler](#), senior research analyst, [Network Infrastructure](#) at IDC. "Enterprises continue to explore new ways WLAN deployments can help connect workers, enable engagement with customers, and improve business processes."

From a geographic perspective, the enterprise WLAN market saw its strongest growth in 2Q18 coming from Japan, which grew 23.0% year over year, and from the Latin America region, which rose 8.9% on a year-over-year basis. Mexico, Latin America's largest market, saw a 24.5% revenue increase from a year earlier while Brazil's revenues were up 30.1% on the year. Central and Eastern Europe (CEE) also saw healthy growth rates with regional revenues increasing 6.3%

compared to 2Q17. Notable CEE markets included Russia with a 7.3% year-over-year gain and Poland's with 12.9% growth.

Other regions had results more in line with the worldwide average. The Asia/Pacific (excluding Japan) (APeJ) region grew 3.8% year over year in 2Q18. Standouts in the region included China, the largest market in APeJ, which grew 19.7%, and India, which increased revenues 17.9% year over year. The United States market rose 2.1% year over year. The Middle East and Africa region was nearly flat (down 0.3%) year over year, while Western Europe's WLAN market declined 2.9% compared to 2Q17. Germany, which is the largest market in the Western Europe region, saw a 7.8% year-over-year decline, while France helped hold back more dramatic declines by posting 7.9% growth.

"While WLAN is a fairly mature market in the U.S., many regions around the world are expected to increase their investing in wireless technology, which will help fuel growth in the broader worldwide market throughout the coming year," said [Petr Jirovsky](#), research manager, [IDC Networking Trackers](#). "Meanwhile, the coming introduction of 802.11ax will lead to a new wave of refresh cycles for enterprises, providing an expected boost to the market starting later this year or early next year."

Key Enterprise WLAN Company Highlights

Cisco's worldwide enterprise WLAN revenue increased 3.3% year over year in 2Q18 and was up 12.5% sequentially between the first and second quarters of 2018. Cisco's worldwide market share was 43.6% in 2Q18, in line with the company's 43.3% share in 2Q17. IDC believes that the Meraki cloud-managed WLAN portfolio remains one of the primary growth drivers for Cisco.

Aruba-HPE (excluding its OEM business) revenues fell 10.3% year over year in 2Q18 but rose 38.9% from 1Q18. Aruba-HPE's market share stands at 15.1% in 2Q18, down from 17.2% in 2Q17.

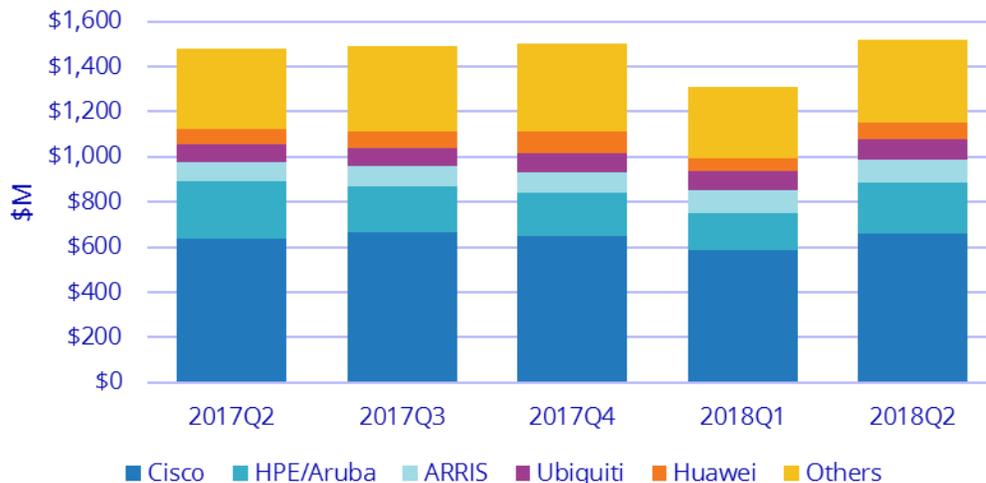
ARRIS/Ruckus continued to perform very well in 2Q18 and grew 19.3% year over year and 1.5% sequentially. ARRIS/Ruckus now accounts for 6.7% of the enterprise WLAN market, up from 5.8% in the same quarter of 2017.

Ubiquiti recorded another quarter of strong growth in 2Q18, increasing 10.8% year over year. Ubiquiti accounted for 5.7% of the enterprise market in 2Q18, up from 5.3% in 2Q17.

Huawei once again experienced very strong growth in 2Q18, increasing 16.0% over 2Q17 and up 42.8% sequentially from 1Q18, while claiming 5.1% market share versus its 4.5% market share in 2Q17.

Figure 1

Worldwide Top 5 Enterprise WLAN Companies, 2017Q2 - 2018Q2 Revenue (\$M)



Source: IDC 2018

The [IDC Quarterly WLAN Tracker](#) provides total market size and vendor share data in an easy-to-use Excel Pivot Table format. The geographic coverage includes eight major regions (USA, Canada, Latin America, Asia/Pacific (excluding Japan), Japan, Western Europe, Central and Eastern Europe, Middle East and Africa) and 58 countries. The WLAN market is further segmented by product class, product type, product, standard, and location. Measurement for the WLAN market is provided in factory revenue, customer revenue, and unit shipments.

For more information about IDC Quarterly WLAN Tracker, please contact Kathy Nagamine (knagamine@idc.com).

About IDC Trackers

[IDC Tracker](#) products provide accurate and timely market size, vendor share, and forecasts for hundreds of technology markets from more than 100 countries around the globe. Using proprietary tools and research processes, IDC's Trackers are updated on a semiannual, quarterly, and monthly basis. Tracker results are delivered to clients in user-friendly excel deliverables and on-line query tools.

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